NAVY MEDICINE
World Class Care…Anytime, Anywhere

Bureau of Medicine and Surgery

Financial Improvement Program and Standard Operating Procedures (SOPs) Overview

American Society of Military Comptrollers Professional Development institute

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Navy Medicine's Transformation Process

Financial Improvement will help to achieve audit Readiness, but the numbers are only the results of the story

Preparing for audit involves changing how you execute the basic business functions on a daily basis

SOPs were developed in support of our mission (patient care) to ensure consistency and precision in execution

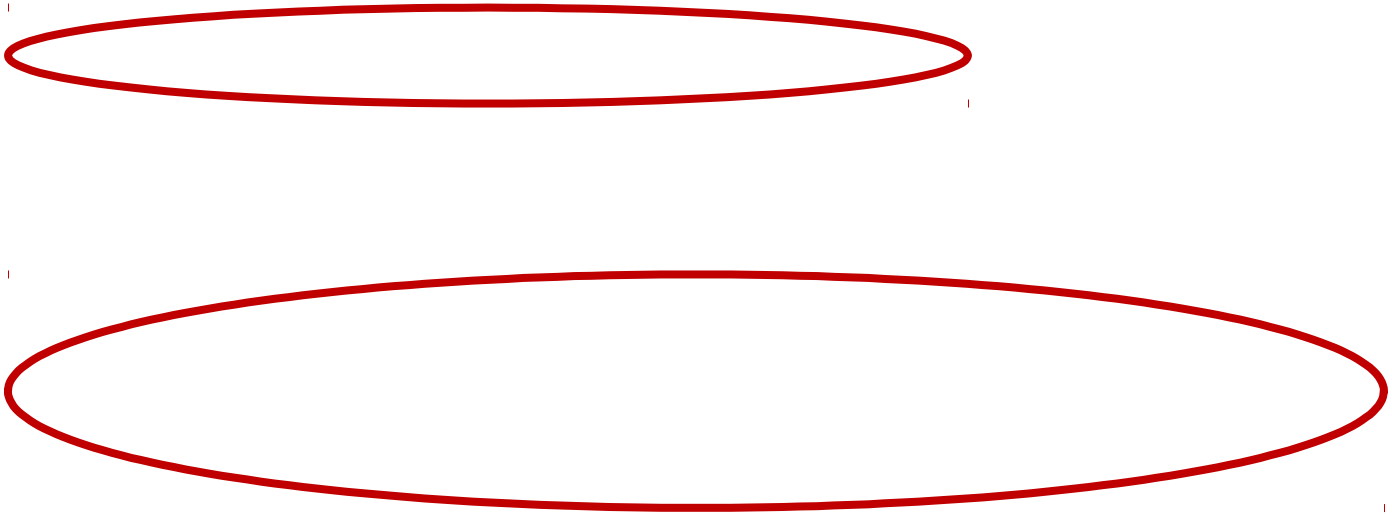
APPROACH: Leverage existing documentation of internal processes, financial regulations and guidance, testing and inspection results, and Subject Matter Experts

Strategy & Transformation Approach

The strategy & Transformation efforts focused on delivering improvements by supporting improvements that had a consistent approach

- Vision
- Identified Need
- Process
- Value
- Impact on People
- Cultural Penetration
- Leadership Engagement

FIP Vision and Strategic Plan



What is the need for SOPs?

The Financial Improvement Program (FIP) discovered that:

- Knowledge is not always effectively shared between personnel
- Business procedures are not always executed in accordance with policies and guidance
- Processes sometimes suffer from poor internal controls
- Documentation is not always properly maintained

Process variations exist and are a disruption to patient care

SOP Development Process

How were the SOPs developed?

A wide range of subject matter experts at HQ, the Regions, Activities and Deloitte FIP Team members worked together to understand policy and guidance, document existing operating procedures, and determine standard procedures based on business best practices.

Who was involved in the SOP development?

- Resource Management Leadership
- Logistics Management Leadership
- Financial Technicians
- Supply Technicians
- Accounting Personnel
- Budget Directors
- Travel Directors
- Facility Managers
- Travelers
- Comptrollers
- Clinicians
- System Administrators
- Contracting Specialists
- Equipment Managers

Value: SOPs drive the right behavior

SOPs serve as a reference for executing business procedures

- Provides a single source of process knowledge
- Makes it easier for staff to move from one Activity to another
- Provides a command-wide/enterprise-wide focus on sharing best practices
- Improves effectiveness and precision in execution
- Standardizes processes to be consistent and compliant
- Enables the improved execution of funds

SOPs serve as a learning aid for new staff

- Saves on training time and cost

SOPs help to obtain reliable, timely and accurate information to support financial reporting

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Impact: Who Uses SOPs?

SOP User Group	Description	SOP(s)
Materiel Management	Staff with duties related to acquisition, receipting, equipment management and maintenance inspection, Defense Medical Logistics Standard Support (DMLSS) System Administration, and/or oversight and accountability of personal property assets	Purchase Card Electronic Catalog (ECAT) Medical Surgical Prime Vendor Personal Property Contract Closeout
Financial Management	Staff executing and supporting daily accounting functions as well as those with responsibilities related to tri-annual reviews, civilian payroll, purchase card management, support agreement funding, and/or contract modifications and closures	Purchase Card Support Agreements: Receiver-Side Contract Closeout Daily Accounting Non-Daily Accounting
Travelers and Travel Management	Staff who travel as part of their duties or whose duties are related to travel coordination and/or oversight of DTS such as travel approvals, overpayments/collections, or reconciliations	Defense Travel System (DTS) V2.0
Facilities Management	Staff at Activities working in facility management or who are involved with reviewing or maintaining property records in Internet Naval Facilities Assets Data Store (iNFADS)	Support Agreements: Receiver-Side Real Property
Pharmacy Management	Staff involved with pharmacy inventory management, drug recalls, managing PVP credits in DMLSS, and DMLSS System Administration	Electronic Catalog (ECAT) Medical Surgical Prime Vendor Management Pharmacy Inventory Mngmt

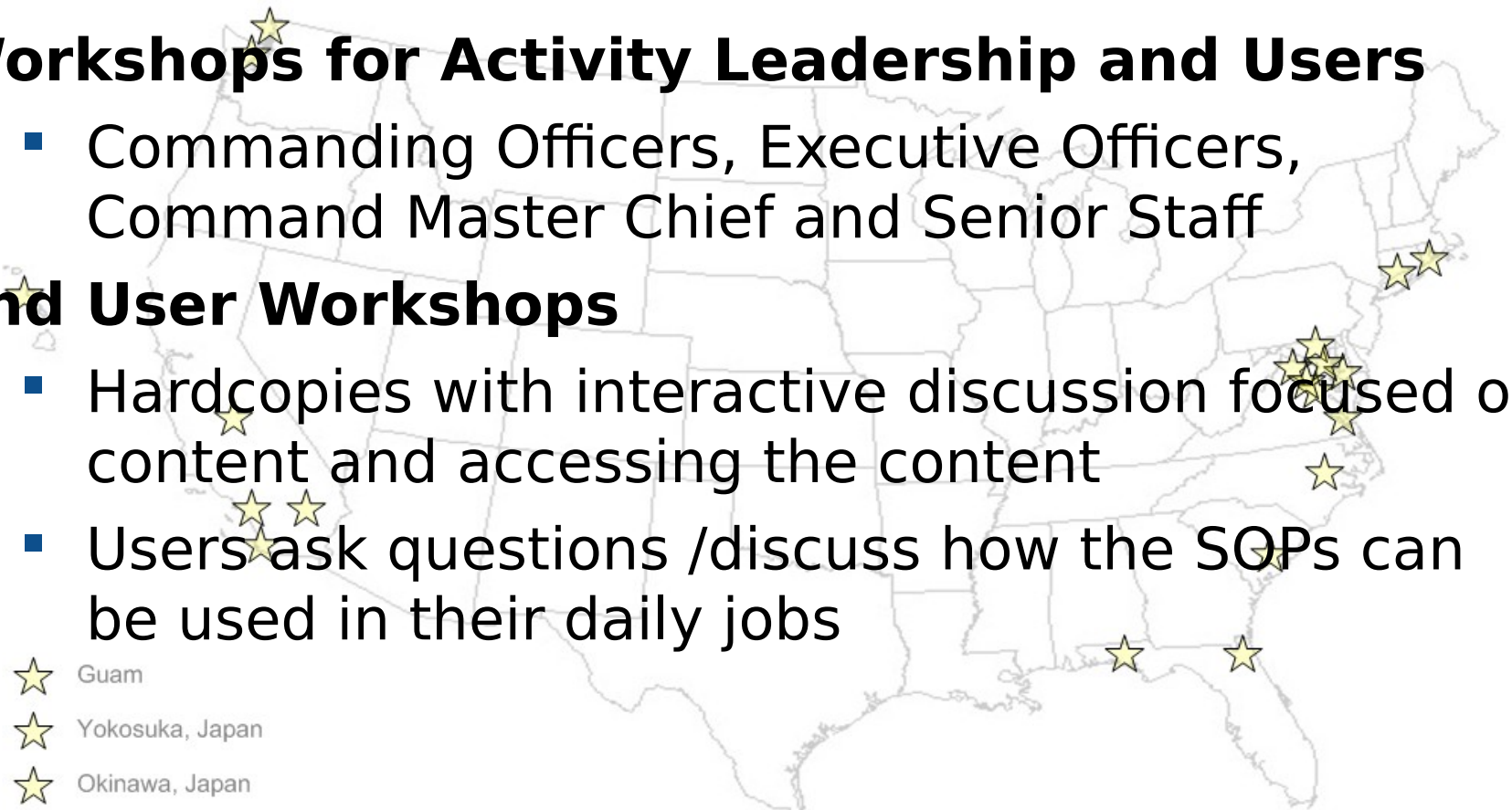
Cultural Penetration

Workshops for Activity Leadership and Users

- Commanding Officers, Executive Officers, Command Master Chief and Senior Staff

End User Workshops

- Hardcopies with interactive discussion focused on content and accessing the content
- Users ask questions /discuss how the SOPs can be used in their daily jobs



In total, 23 Locations and 1,020 User Participants

Leadership Engagement

Navy Surgeon General

BUMED Headquarters Deputy Chiefs of Staff

- Resource Management, Installations and Logistics, Manpower

Regional Commands

- Regional Commanders and Comptrollers

Activities

- Commanding Officers/Executive Officers
- Board of Directors
- Director for Administration / Command Master Chief

How Are We Tracking SOP Usage?

SOP Usage Assessment

- On-Site assessments as part of visits
- IG Checklist
- Independent interviews of department heads
- Command Level Testing

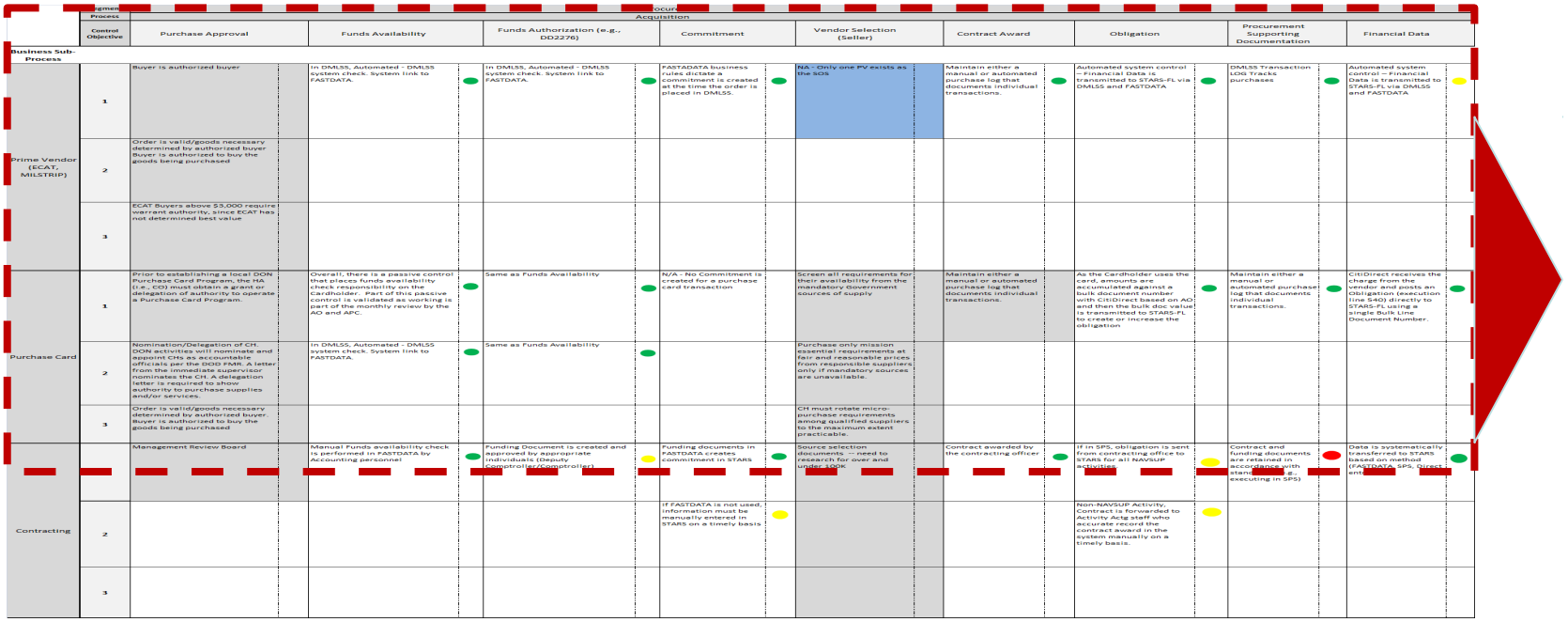
SOP User Survey

- 22% use the SOPs on a daily basis
- 18% use the SOPs on a weekly basis
- 52% use the SOPs in on boarding or training new staff

88% of population are using the SOPs

How Are We Tracking SOP Performance?

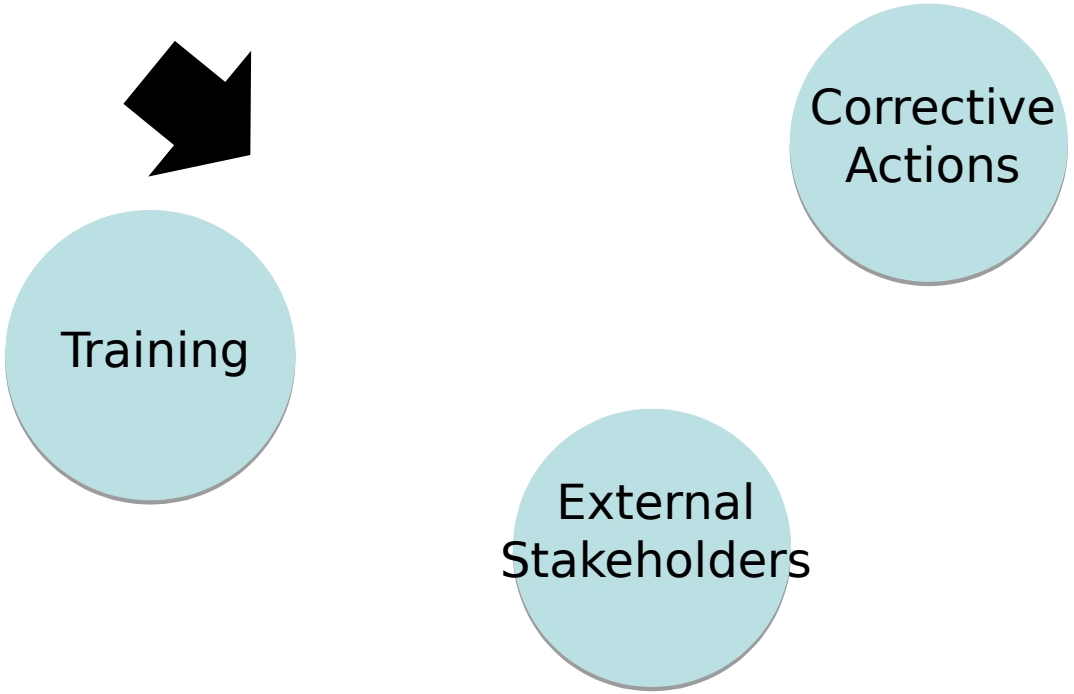
Through a scorecard that focuses on testing controls that drive audit readiness.



Process		Acquisition								
Control Objective		Purchase Approval	Funds Availability	Funds Authorization (e.g., DD2276)	Commitment	Vendor Selection (Seller)	Contract Award	Obligation	Procurement Supporting Documentation	Financial Data
Business Sub-Process										
Prime Vendor (ECAT, MILSTRIP)	1	Buyer is authorized buyer	In DMLSS, Automated - DMLSS system check. System link to FASTDATA.	In DMLSS, Automated - DMLSS system check. System link to FASTDATA.	FASTDATA business rules dictate a commitment is created at the time the order is placed in DMLSS.	NA - Only one PV exists as the SOS	Maintain either a manual or automated purchase log that documents individual transactions.	Automated system control – Financial Data is transmitted to STARS-FL via DMLSS and FASTDATA	DMLSS Transaction LOG Tracks purchases	Automated system control – Financial Data is transmitted to STARS-FL via DMLSS and FASTDATA
	2	Order is valid/goods necessary determined by authorized buyer Buyer is authorized to buy the goods being purchased								
	3	ECAT Buyers above $3,000 require warrant authority, since ECAT has not determined best value								
Purchase Card	1	Prior to establishing a local DON Purchase Card Program, the HA (i.e., CO) must obtain a grant or delegation of authority to operate a Purchase Card Program.	Overall, there is a passive control that places funds availability check responsibility on the Cardholder. Part of this passive control is validated as working is part of the monthly review by the AO and APC.	Same as Funds Availability	N/A - No Commitment is created for a purchase card transaction	Screen all requirements for their availability from the mandatory Government sources of supply	Maintain either a manual or automated purchase log that documents individual transactions.	As the Cardholder uses the card, amounts are accumulated against a bulk document number with CitiDirect based on AO and then the bulk doc value is transmitted to STARS-FL to create or increase the obligation	Maintain either a manual or automated purchase log that documents individual transactions.	CitiDirect receives the charge from the vendor and posts an Obligation (execution line S40) directly to STARS-FL using a single Bulk Line Document Number.
	2	Nomination/Delegation of CH. DON activities will nominate and appoint CHs as accountable officials per the DOD FMR. A letter from the immediate supervisor nominates the CH. A delegation letter is required to show authority to purchase supplies and/or services.	In DMLSS, Automated - DMLSS system check. System link to FASTDATA.	Same as Funds Availability		Purchase only mission essential requirements at fair and reasonable prices from responsible suppliers, only if mandatory sources are unavailable.				
	3	Order is valid/goods necessary determined by authorized buyer. Buyer is authorized to buy the goods being purchased				CH must rotate micro-purchase requirements among qualified suppliers to the maximum extent practicable.				
Contracting		Management Review Board	Manual Funds availability check is performed in FASTDATA by Accounting personnel	Funding Document is created and approved by appropriate individuals (Deputy Comptroller/Comptroller)	Funding documents in FASTDATA creates commitment in STARS	Source selection documents – need to research for over and under 100K	Contract awarded by the contracting officer	If in SPS, obligation is sent from contracting office to STARS for all NAVSUP activities	Contract and funding documents are retained in accordance with standards (e.g., executing in SPS)	Data is systematically transferred to STARS based on method (FASTDATA, SPS, Direct entry)
	2				If FASTDATA is not used, information must be manually entered in STARS on a timely basis			Non-NAVSUP Activity, Contract is forwarded to Activity Actg staff who accurate record the contract award in the system manually on a timely basis.		
	3									

Junior civilians and enlisted personnel spend money and drive much of the acquisition and receipt of goods.

The Path to Audit Readiness



SOPs are only one piece of the puzzle

Questions

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